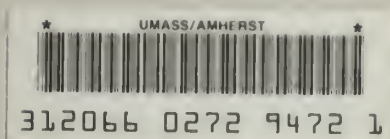


MASS. R1.18:995



Commonwealth of Massachusetts

Department of Revenue

100 Cambridge Street

Boston, Massachusetts 02204

# FY95 Mission and Goals

MASS. R1.18:995  
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# Introduction

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DOR's Mission & Goals document for Fiscal 1995 introduces a two-year planning cycle for the agency's objectives. By expanding the time frame in which we consider the Department's goals, we are also taking a longer-term view of ways to accomplish those goals and thus make reaching our objectives an ongoing process rather than a static one.

The agency's ultimate mission is to achieve maximum compliance with the Massachusetts tax, child support and municipal finance laws. Part of DOR's vision for encouraging high levels of compliance is to make it as easy as possible to comply with the laws and provide first-rate customer service to the taxpayers of the Commonwealth. But the Department is also looking to foster voluntary compliance by making it more and more difficult for anyone to dodge the obligations they have to the state, their families and the honest citizens of Massachusetts.

The ultimate challenge to achieving maximum compliance is finding creative, innovative and cost-effective means to improve our performance while at the same time pursuing our central goal of doing more work better, faster and with less. The Department of Revenue will be smaller in the future, because we are committed to the ongoing process of finding the new and more efficient ways of doing work that technology and management innovation afford. A faster and more effective workforce will be made up of employees who have greater levels of authority and the ability to cross over divisional and job-specific lines in order to provide better customer service.

Our strategy for Fiscal Years 1995 and 1996 is multi-faceted. It is designed to promote the development and implementation of several interrelated projects that all have at their heart the concepts of customer service and increased Departmental efficiency. The projects are not simple, nor can they be accomplished overnight. They will require us to work to the best of our abilities, and then to stretch ourselves even further.

DOR has the capacity to be the most modern and professional revenue department in the nation. We have the best people. We must make our best effort. These goals are our focus.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mitchell Adams', with a long horizontal flourish extending to the right.

Mitchell Adams  
Commissioner of Revenue

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# I. The Mission

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To increase compliance with the Commonwealth's tax, child support and municipal finance laws fairly, firmly and honestly, to enhance service to customers, and to do so using the most innovative, cost-effective means available.

As DOR fulfills its mission, we must stay focused on the needs of the customers we're serving: taxpayers; custodial and noncustodial parents and their children; and the Commonwealth's 351 cities and towns.

We must also remember our dependence upon each other as colleagues and view fellow employees as customers as well.

# II. The Goals

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To make us the most modern and professional revenue department in the nation, the Commissioner and Deputy Commissioners have agreed to pursue the following five inter-related goals:

**One-Stop Shopping & Excellence in Customer Service**

**Paperless Processing**

**Automated Enforcement**

**Expanded Data Capture**

**Retooled Infrastructure**

This section describes each of the five goals in detail and discusses why they are critical to DOR's mission. The final section of the mission and goals document, titled *Strategic Objectives*, describes the projects the agency will complete over the next two years in order to meet these goals.

All of the agency's goals and projects sound themes that should already be familiar to all of us, because they are a continuation and extension of the direction the Department has taken over the last two years. Moreover, the Department's objectives continue to depend upon the input of employees at every level of the organization, and now more than ever will rely on DOR's employees to help determine the direction the Department ought to take and specific projects it should pursue.

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## **1. One-Stop Shopping and Excellence in Customer Service**

Consistently provide excellent service that puts customers first. Develop new ways of doing business that enable DOR's internal and external customers to complete 90 percent or more of their business with a single call or contact.

### **Why?**

- Finding the person who has the information and authority to handle your issue is the most difficult aspect of dealing with any public or private sector bureaucracy. In the age of banking by phone and automatic teller machines, one-stop service is the solution our customers are demanding.
- Taxpayers, noncustodial parents and municipalities are more likely to comply with the law if they get the assistance they need. The chances of this happening are greatly increased when the usual disincentives of dealing with a large organization — waiting, having to talk to more than one person to get a question answered, etc. — are eliminated and when assistance is provided in a consistently timely, courteous manner.
- Employees know what good service is and want to provide it to taxpayers, child support clients and cities and towns. But employees become frustrated when they lack the tools, information and authority to resolve a problem or answer a question quickly and completely.
- Reducing the number of steps required to provide services, both to our outside customers and to each other, will improve efficiency and the public's perception of us as a government agency.

*"The most important part of the Agency's image is the window through which taxpayers view us. We need to establish a single 'window' or gateway through which taxpayers can do all of their business with us."*

Stephen Kobialka  
FY93 DOR Focus Group Participant

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## **2. Paperless Processing**

Provide the means and inducements for our customers and employees to conduct the majority of their DOR business electronically. Devise new ways of processing paper using imaging for any remaining business that cannot be transacted electronically.

### **Why?**

- Electronic transactions and imaging are a cost effective means of providing DOR's customers the convenience and response time they have come to expect from similar institutions (e.g. a four-day refund turnaround).
- Electronic transactions and imaging are a more cost effective means of capturing and disseminating increased amounts of tax, child support and DOR operational data. The higher volume of data can then be used for improving enforcement and service.
- Electronic transactions and imaging can cut processing and paper handling costs by more than half and free up personnel for more compliance-oriented tasks, such as keying information unavailable to DOR in electronic or imageable form.
- Better service and enforcement that result from electronic transactions and imaging will influence the public's perception of DOR as an agency that has the ability and desire to administer the law fairly and firmly.

*"DOR needs to develop a comprehensive processing strategy that will include the most advantageous mix of filing technologies such as electronic funds transfer, electronic filing, bar coding and document imaging."*

Technology Planning Group  
Final Report to the Commissioner  
March 1993

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### **3. Automated Enforcement**

Identify both traditional and new enforcement and collection actions that DOR's computer systems can carry out automatically, program them to do so, and reserve human intervention for resolving exceptional cases.

#### **Why?**

- As bank and wage levies have shown, automated enforcement is a highly effective collection tool.
- It increases voluntary compliance by influencing taxpayer and child support obligor perceptions of DOR's ability to detect noncompliance and enforce the law fairly and firmly.
- It is a practical, affordable way to reach many more delinquents and noncompliers than would otherwise be possible.
- Human resources are scarce and additional staff is unlikely in continuing tight fiscal times. Automated enforcement frees up auditors, collectors and caseworkers for activities that do not lend themselves to automation.

*"We feel we have made a significant contribution to DOR's ability to manage delinquent accounts. Automating levies will increase our enforcement presence and still leave people free to do what only people can do — help taxpayers who need our expertise."*

*"Ironically, the automated [wage levy] system's biggest accomplishment has been executing far fewer levies than originally projected, as taxpayers in receipt of a levy notice scramble to bring themselves into compliance."*

Stephen Moffatt  
Chair, Automated Bank and Wage Levy Task Forces  
July 1993 and June 1994 Issues of DORWays

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#### **4. Expanded Data Capture and Usage**

Capture into on-line databases as much information as possible from electronic and paper tax returns, child support documents and other original sources of data. Follow up with a range of operational and research uses for the data throughout the Department, focusing on improving compliance.

##### **Why?**

- Capturing the maximum amount of data supports automated enforcement programs and fraud detection, and increases voluntary compliance by reinforcing the perception among taxpayers that the agency cross checks all information received.
- It supplies the raw material needed to put at employees' fingertips the richer, timelier information they will need to provide one-stop services.
- Consciously leveraging the increased data from paperless processing as well as tapping into data from other sources will ultimately help DOR carry out more effective routine enforcement and perform research and development geared to improving service and compliance. We will maximize return on the agency's considerable investment in information technology.

*"The railroads went out of business because they thought they were in the railroad business, rather than being in the business of transportation. In the tax field, we're in the business of administering the tax laws, but what does that really mean? I think tax administrators are really in the information business. It's actually a function that can be accomplished by rearranging the electrons in different databases by means of electronic impulse. ... We provide information to taxpayers, they provide information to us. We then analyze and act on this information. Unless we act consciously to use it, this information sits in filing cabinets and databases just waiting to be used."*

Commissioner Adams

Address to Annual Federation of Tax Administrators Conference  
June 1994

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## **5. Retool DOR's Infrastructure**

Provide the infrastructure — tools, training, increased communication and opportunities for input — for DOR employees to contribute directly to achieving DOR's goals and perform up to their maximum potential.

### **Why?**

- Employees must have access to customized training and professional development to meet the new demands placed on them by one-stop shopping, automated enforcement, paperless processing and expanded use of data.
- We cannot achieve our goals and become the most modern and professional revenue department in the nation without enabling all individuals to develop an understanding of departmental functions beyond their own units, and without tapping into employee knowledge and soliciting input more frequently.
- In addition to training, employees must have up-to-date phones, computers, software and other tools, if they are going to be able to achieve the goals asked of them.

*"Education is important to everyone; it is a lifelong process, which should be encouraged. It is important that all employees are intellectually stimulated."*

*"DOR should develop training to allow employees to become better acquainted with other bureaus that interface with their own. Better overview leads to better understanding."*

*"I value encouragement to think and develop and implement new and improved methods. It helps the bureau and myself."*

Skills Inventory

Written comments from employees

May 1993

*"We have concluded that DOR should energetically pursue imaging and document management technologies, and the PCs and network infrastructure to support them, on the basis of their ability to transform the way we work."*

Office Scanning Task Force Report

May 1994

# III. Strategic Objectives

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All of these projects serve one or more of DOR's five goals and, like the goals, are interrelated.

## ***Agency-Wide Objectives***

### ***1. Upgrade Telephone System***

A modern telephone system for the majority of DOR will be installed in FY95. The new system will support one-stop telephone assistance and provide, among other things, the following: voice mail; programmable push-button options for actions such as forwarding; seamless call distribution without regard to geographic location in Massachusetts; and future add-on possibilities such as predictive dialing.

### ***Contribution to Mission***

A state-of-the-art telephone system is a key component of providing one-stop shopping and will noticeably improve employees' ability to communicate with each other and with DOR's customers, thereby enabling all of us to be more responsive to customer needs.

**FY95:** Install in Boston by October 1994; in Cambridge (215 First St. and 141 Portland St.) by February 1995; district office installations will commence with Hyannis in September 1994 and finish with Medford in May 1995.

### ***2. PC Network***

ISO has now completed its comprehensive blueprint for a "client-server" network that will link all of the Department's information and computing resources. This network is designed to provide the flexibility and expandability users need in order to take advantage of recent and future advances in software and other technologies. Once the network is in place and assuming there is adequate funding, all those linked resources will be put at employees' fingertips with the phased installation of personal computers (PCs) in FY95 and FY96 for every employee who can benefit from such an investment.

### ***Contribution to Mission***

PCs and client-server technology will provide the foundation for using a wide variety of tools that allow us to make more use of data, improve our communication with each other, and work more productively and creatively as individuals and teams.

**FY95:** Complete installation of network and install first phase of PCs.

**FY96:** Install second phase of PCs.

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### **3. PC Applications**

DOR's new PC network — in combination with other technologies such as imaging, work-flow automation, and software that facilitates working in groups — will allow the development of customized programs that integrate readily with existing Unisys and DEC applications.

#### ***a. PC-Enabled Process Reengineering***

Small payment agreements, abatement noticing, and internal administrative forms processing (e.g., time cards and travel vouchers) will be redesigned and/or automated using PCs. Imaging and PCs will be used to create a centralized, paperless power-of-attorney tracking system and a streamlined correspondence process, with other applications to be identified and developed as well.

#### ***Contribution to Mission***

PCs, imaging and other technologies will make information and documentation more accessible and usable throughout DOR. In addition to improving productivity, this will improve both service and enforcement capabilities, and enable employees to initiate projects and innovations of their own. In the case of small payment agreements, monitoring of adherence to payment agreement rules will be enhanced and necessary noticing functions automated. Redesign of administrative applications will reduce time spent on paperwork, freeing employees to focus on their mission-critical responsibilities.

**FY95:** Redesign the small payment agreement and internal administrative forms process, and design a centralized power-of-attorney tracking system. These projects will be completed using the internal task force approach that has been so successfully applied to earlier technology initiatives.

**FY96:** Implement the on-line versions of these new work processes.

#### ***b. Rapid Information Exchange***

The PC network will afford its users more accessibility to each other and to the outside world. DOR's PC users will take advantage of this improved communication to form work groups that regularly share more information with each other on a real-time basis. The agency will also work to establish secure connections with public on-line computer networks to access information, and disseminate it to customers in the form of economic and municipal data, regulations, forms, guides, etc., and to solicit customer feedback.

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### ***Contribution to Mission***

Connecting with each other and to outside networks via our own PC network will ultimately lead to service and enforcement innovations through faster, freer exchange of ideas across the organization and with our customers.

**FY95:** Install and support a public electronic bulletin board system to make economic, tax and municipal data freely available to interested individuals and groups, and to provide an alternative means of access for practitioners to Departmental rulings, regulations, etc.; establish access to the Internet through the Department's PC network, with appropriate security and guidelines for access.

**FY96:** Establish electronic links to other state agencies, including systems currently under development by A&F central agencies and by the Governor's Office.

### ***4. Executive Information System (EIS)***

The Department will procure and implement an EIS that will provide, electronically, a wide range of performance reports of interest to senior managers. EIS reports will give busy executives daily, weekly and monthly "at-a-glance" views of Departmental operations in key areas such as revenue intake, economic indicators, refund turnaround time, audit and collection actions, accounts receivable, child support, local services and other topics.

### ***Contribution to Mission***

Providing user-friendly performance information to a wide audience of DOR managers will foster a more precise understanding of many Departmental functions and their interdependence. This will lead to increased coordination and collaboration among units, enhanced decision-making processes and better targeting of actions to improve service and enforcement. An EIS will also automate and/or eliminate steps and redundancies in the current patchwork of management reporting systems.

**FY95:** Procure an EIS backbone, develop reporting categories and measures and expand system laterally (more kinds of information).

**FY96:** Expand system vertically (more detailed information). Solicit and incorporate feedback from senior managers on possible system improvements.

### ***5. Training***

New training courses in the core competencies will continue to be made available in the next two years. Our goal will be to provide an average of five days training per year for each employee. Employees will also receive annual transcripts. A pilot program in competency-based modeling will be implemented in FY95 with full implementation possible in FY96.

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***Contribution to Mission***

Better trained employees find their jobs more rewarding and are better prepared to adapt to changing job roles. This ultimately leads to better service, fewer mistakes and increased productivity. Investment in employees' overall career goals also results in increased pride in job performance.

**FY95:** Implementation of total comprehensive training program with tracking mechanism in place.

**FY96:** Develop and administer second Skills Inventory to provide progress report on agency training efforts.

***6. Develop Annual Employee Feedback Mechanism***

The Human Resources Bureau, with input from a cross-section of employees, will develop a mechanism, perhaps modeled on the Skills Inventory, to gather feedback annually from all employees on topics where such feedback can be used to improve aspects of quality of worklife or effectiveness on the job. The feedback will be tabulated, analyzed and reported back to employees, followed by pursuit of appropriate follow-up actions.

***Contribution to Mission***

Having a comprehensive, unified picture of what employees want and need to get their jobs done and being as responsive as possible to those wants and needs is essential to the agency's ability to fulfill its ambitious goals.

**FY95:** Establish feedback structure and implement pilot program.

**FY96:** Full implementation and development of feedback mechanism.

***7. Sick Time***

Over the last two years, DOR employees have reduced sick time usage by 25 percent. Employees will continue to use sick time for the limited purposes for which it was intended. Managers will continue to pursue those few employees who attempt to abuse sick time.

***Contribution to Mission***

Minimizing sick leave abuse saves precious human resources and protects the morale of those who work hard and are committed to excellence. Two days of "saved" sick time agency-wide equals 1% of the agency's total payroll.

**FY95:** Reduce average sick time usage by a day over average FY94 usage.

**FY96:** Evaluate and determine goal at the end of FY95.

# Tax Administration Objectives

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## **1. Telefile**

### **a. Individual Income Tax**

Work is well under way to introduce touch tone telephone filing of 1994 income tax returns. The planned program will expand electronic filing beyond the universe of taxpayers that use tax preparers and offer a truly simple, inexpensive electronic filing process and speedy refunds. An estimated 80,000 taxpayers are expected to file their taxes using Telefile and another 100,000 will use DOR's other electronic filing alternatives in FY95, for a total of 180,000 electronically filed returns.

### **b. Business Tax**

The convenience, speed and low cost of touch tone telephone filing makes sense for some business taxpayers, such as trustee taxpayers who file simple monthly or quarterly returns. Telefiling will be made available to at least one major business tax type in FY95 and expanded to other tax types in FY96.

### **Contribution to Mission**

By delivering electronic filing, for only the cost of a phone call, to nearly a million taxpayers' doorsteps, Telefile is a fundamental improvement in the way taxpayers are asked to fulfill their filing obligations. Service will be enhanced by a less burdensome filing process and quicker refunds for individual income tax filers. The cost of processing each tax return will ultimately be reduced. Since many taxpayers only interact with DOR when filing their tax returns, this program has the potential to affect taxpayers' basic perception of the agency and the likelihood that they will comply with the tax laws.

**FY95:** Install and test Telefile script and front end by October 3rd. Mail 1.1 million Telefile worksheets to 750,000 eligible filers. Assess feasibility of telefiling for additional types of high volume functions such as simple amended returns.

**FY96:** Expand program by continuing to strive to have 100 percent of eligible filers participate and by adding new Telefile options determined to be feasible in FY95.

## **2. Pilot Imaging for Tax Return Processing**

Test imaging and intelligent character recognition (ICR) as a means of capturing data from tax returns, processing them and storing them for later availability.

### **Contribution to Mission**

Because we won't achieve 100 percent taxpayer participation in electronic filing programs right away, imaging tax returns is an important alternative that, like electronic filing, will cut the errors, costs and time involved in manually keying returns. It is also a cost-effective

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means of capturing all data from the returns. Storing returns as images in a repository on the PC network will also reduce paper handling and storage costs, as well as make returns faster and easier to retrieve for authorized uses such as providing taxpayer assistance and conducting audits.

**FY95:** Put systems in place in time to test imaging for processing 1994 tax year income tax returns.

**FY96:** Based on results of pilot, expand imaging system to process all paper income tax returns, returns for other tax types and other forms.

### ***3. Interactive Voice Response***

Interactive voice response (IVR) technology will be used to handle routine telephone inquiries such as forms requests, refund status or current liability balances. Taxpayers will be able to dial the Department any time of day, select from a menu of options and in some cases enter their social security number and receive the most commonly requested forms of assistance.

#### ***Contribution to Mission***

An IVR system will improve customer service by providing answers faster and more conveniently to many taxpayers, while also freeing up employees to focus on more complex taxpayer inquiries during business hours.

**FY95:** Implement IVR for forms requests or refund status information, or both.

**FY96:** Expand range of topics answerable through IVR to include some inquiries not traditionally handled by TPA, such as status of abatement applications.

### ***4. Laptop Audit Workbench***

The Audit Division is purchasing new laptop PCs for its field staff and upgrading the audit software used in the field. The new software is extremely powerful; it will support electronic audit files that can also be read by other bureaus, such as Abatement and Appeal and Review. It allows the input of taxpayer books and records in electronic format and provides for import and export of taxpayer data to and from MASSTAX and other DOR information systems.

#### ***Contribution to Mission***

The laptops will enable auditors to conduct more audits, more thoroughly, with less down time and less time spent on low-yield data entry tasks. They will also increase auditors' ability to interact with other bureaus.

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**FY95:** Complete Phase I by replacing laptops originally procured in 1987. Replace and upgrade original software and audit workpapers. Enhance the sales tax module to eliminate a time-consuming manual step, and implement a standard interface across all modules. Provide automated modules for all tax types, on-line help and on-line guidance in audit procedures and tax law.

**FY96:** Complete Phase II by providing interfaces to MASSTAX, MATIS, and CAS (Computerized Audit System). With these changes, auditors will be able to transfer audit results directly to MASSTAX and receive cases directly from MASSTAX, electronically transmit audit data to generate Notices of Intent to Assess, and post audit results to the computerized audit tracking system.

## **5. Reengineer MASSTAX Functions**

### **a. Restructure Data Capture Architecture**

Data capture limitations built into the front-end of the current MASSTAX system need to be removed to allow larger amounts of data to be captured and put to use. As data available from imaging returns, accepting electronically filed returns, and manually keying more schedules and line items is incorporated into DOR's databases, we must make sure we have the capacity to store and utilize this information.

### **Contribution to Mission**

On-line availability of comprehensive line item and schedule information will support more thorough enforcement and increased voluntary compliance by enabling us to identify errors, fraud and potential audit issues right away. In addition to making routine use of the data as it is captured, we will also use the information for increasingly sophisticated compliance research and development projects, such as automated audit selection.

**FY95:** All line item data from electronically filed and Telefile returns, including W-2 information, will be available on-line. Image all documents received with a personal income tax Form 1 refund; capture line item data via OCR/ICR technology on all Form 1s, W-2s and Schedule Cs. Conduct a business process redesign analysis to determine potential impact.

**FY96:** Image all documents received with most personal income tax refunds. Capture line item data via OCR/ICR technology on all personal income tax forms and most schedules. Submit proposal for a business process redesign and implementation plan.

### **b. Identify Additional Functions for Decentralization**

Based on work completed in FY94, access to MASSTAX for making address updates will be decentralized in FY95. Over the next two years, DOR will identify at least two or three other

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key functions to decentralize, which will contribute to the Department's overall goal of one-stop shopping.

### ***Contribution to Mission***

If employees are to be able to provide one-stop taxpayer assistance, further decentralization of access to MASSTAX functions will be necessary.

**FY95:** Identify two or three specific functions appropriate for decentralization.

**FY96:** Complete necessary programming, testing, and training to decentralize these functions.

### ***c. Dynamic Reallocation***

In FY94, we evaluated alternative approaches to address the possibility of rewriting how MASSTAX calculates penalties and interest. In FY95, we will engage external resources to develop a simplified financial reporting system for amounts of penalties and interest owed.

### ***Contribution to Mission***

These efforts will make it easier for employees across the Department to deal with penalty and interest calculations. A simpler penalty and interest structure improves both our service and enforcement efforts.

**FY95:** Engage external resources to analyze the needs of the Department with regard to penalty and interest calculations and develop a plan to move to assessment level calculations rather than period level.

**FY96:** Complete implementation of all changes.

### ***d. Improve Noticing***

Based on work begun during FY94 to revise the M-17 Notice — Notice of Change in Your Return — we will continue during FY95 to solicit Department-wide participation in developing a better noticing system.

### ***Contribution to Mission***

By improving the current noticing process we will, at the very least, diminish the confusion experienced by taxpayers upon receipt of a notice from the Department. By revising some notices and completely overhauling others, the Department will make it easier for taxpayers to understand and comply with the tax laws of the Commonwealth. In addition, ISO will explore new software options that will make addition of new notices, as well as changes to existing notices, a much simpler, less time-consuming process.

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**FY95:** Analyze notices that generate the most taxpayer questions and correspondence. Determine how these notices can be made more “user-friendly.” Examine system parameters which limit our editing capabilities; select and purchase new software.

**FY96:** Continue the analysis and subsequent revision of other notices.

## ***6. Detection of Noncompliant Taxpayers***

DOR needs to strengthen its system for detecting nonfilers and nonregistrants and making them comply with the law. A variety of projects for pursuing noncompliant taxpayers, including a tax gap study, will be pursued in FY95. The study will provide an information base for an expanded noncompliance detection strategy in FY95, including piloting of new nonregistrant detection systems using internal and external databases. Future tax gap studies also will be used to track DOR's performance in fulfilling its overall mission.

### ***Contribution to Mission***

Discovery and pursuit of those who try to avoid participation in the tax system is a key ingredient in a balanced enforcement strategy. Performing a tax gap study and devising nonregistrant strategies are means of leveraging the Department's existing and future information resources to improve compliance.

**FY95:** Undertake a project to detect, identify and enroll income and business tax nonregistrants in the tax system. This project will include expanded data matches using information DOR already possesses; joint nonregistrant projects with the IRS, with another state and with an external organization; testing of methods for automating nonregistrant enforcement efforts; and a media campaign to focus attention on nonregistrant enforcement measures.

**FY96:** Expand and make operational the most successful elements of the FY95 project; identify and develop additional methods for automating nonregistrant enforcement measures.

## ***7. Electronic Funds Transfer (EFT)***

Mandatory participation in EFT is scheduled for Massachusetts' largest withholding taxpayers in January 1995; we will expand the mandatory EFT program in FY96 to sales and corporate estimated taxpayers — with participation thresholds appropriate to those tax types.

### ***Contribution to Mission***

EFT makes compliance easier for businesses and will also ultimately allow DOR to spot taxpayers who have stopped making timely payments. By expanding our use of a payment technology that is already widely used by our customers, both service and enforcement are enhanced.

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**FY95:** Withholding, \$2 billion collected.

**FY96:** Sales, corporate estimated payments, \$3 billion collected.

### ***8. Predictive Dialing System***

Phone system modernization will allow DOR to install “predictive dialing” for outgoing calls — a technology that can automatically dial from a predefined list of taxpayer telephone numbers and route answered calls to the next available DOR service representative. Predictive dialing hardware will be appropriately integrated with MASSTAX software, so that enforcement personnel will benefit from receiving calls and taxpayer information simultaneously. With no time lost to dialing, busy signals and no-answers, personnel will be able to spend more of their time in direct taxpayer contact.

#### ***Contribution to Mission***

Predictive dialing equipment will allow compliance employees to contact more taxpayers directly, thereby strengthening our enforcement efforts.

**FY95:** Completely research available systems and procure appropriate hardware and software.

**FY96:** Integrate into collections and taxpayer service.

### ***9. Physically Streamline Return Processing***

Build a more concentrated, efficient “cradle-to-grave” return processing operation by moving 900 employees — from Processing, Account Management and Control, Desk Audit, and ISO — to the Massachusetts Information Technology Center (MITC) in Chelsea, with minimal disruption to operations.

#### ***Contribution to Mission***

This move will be a major undertaking for the agency and will do a great deal to streamline return processing while creating a more efficient concentration of DOR’s currently dispersed computing resources.

**FY95:** Address all building design, security, logistical and commuting concerns by the end of the third quarter of FY95 with as much input as possible from those affected.

**FY96:** Commence move of people and equipment upon completion of construction in November 1995 (projected).

# Tax Administration and Child Support Enforcement (CSE) Objective

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## **1. License Revocation**

Revocation of professional and trade licenses for a taxpayer's or a noncustodial parent's failure to file or pay requires the matching of registration and DOR records, a process that will be fully automated in FY95. As part of this process, DOR will explore various means of improving the quality of licensing data, such as collecting license information from taxpayers as part of the registration process or return-filing process.

## **Contribution to Mission**

License revocation will produce a direct boost to enforcement and encourage voluntary compliance from those who wish to avoid direct enforcement actions. Enforcement is made fairer overall when automated enforcement tools such as wage levies are complemented by pursuit of the self employed who owe taxes or child support.

**FY95:** Implement pilot program and evaluate results by January 1995.

**FY96:** Statewide implementation by July 1995.

# Child Support Enforcement (CSE) Objectives

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## **1. Establish 13,200 New Child Support Obligations**

Establish more child support orders for children receiving public assistance by continuing to improve cooperation between DOR and the Welfare Department. This cooperation is especially crucial in order to collect all necessary information during client interviews, and to continue to expand the in-hospital paternity program to increase the number of paternity establishments.

### ***Contribution to Mission***

With one child in four born out-of-wedlock, these efforts, together with improved techniques for locating absent parents, will increase the number of new child support orders established for families receiving AFDC. As more child support orders are established and collections rise, taxpayers will be supporting fewer families on welfare and more children will be receiving the financial support that is their birthright.

## **2. Manage Introduction of New Computer System**

Provide for a comprehensive and error-free transfer of about 250,000 cases to CSE's new computer system and train staff regarding the changes to policy and procedures brought about by this higher degree of automation. We will provide staff with about 30,000 hours of training on the technical skills necessary for using the new system. Wherever necessary, we will place staff into new job positions and grades reflecting their revised duties and responsibilities, and merge 15 local offices into seven offices within five geographic regions.

### ***Contribution to Mission***

This major infrastructure improvement, which is mandated to be operational by October 1, 1995 to qualify for federal funding, is a cornerstone of our vision of providing quality customer service. By enabling us to collect and store more detailed data, it will enhance our ability to establish and enforce more obligations and to provide more timely and accurate information to our customers.

**FY95:** Pilot test new system in May 1995.

**FY96:** Statewide implementation by October 1995.

## **3. Enhance Communications with Customers and Employers**

Develop and distribute more effective promotional and informational materials to improve customer relations. For example, we will revise the non-AFDC Application for Services, and develop new employer brochures to explain wage withholding and other reporting requirements, along with other types of publications for outreach.

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***Contribution to Mission***

This material will improve the quality of our service to customers by helping them to better understand our services and procedures. Outreach to employers will make the payment of child support through payroll deductions more efficient and the reporting of changes to employment status more timely.

FY95: Ongoing.

FY96: Ongoing.

***4. Help Other States Improve Their Child Support Enforcement Programs***

Massachusetts is recognized as having one of the very best child support enforcement programs in the nation. But in 30 percent of our cases, the non-custodial parent lives out of state and we rely on other states to enforce those cases. In FY95 and FY96, we want to help other states make the transition from manual, caseworker-based programs to highly automated enforcement programs. To do this:

- DOR organized and hosted this year's National Child Support Enforcement Association Conference, which took place in Boston, August 21 through 25, 1994. The convention offered daily plenary sessions and more than 70 workshops for 1200 registrants. Hosting this year's convention enabled Massachusetts to showcase its programs and enhance its reputation on the national level, thus improving our ability to exert national influence in the child support arena; and
- DOR's Child Support Enforcement Division, as the 1993 recipient of the Ford Foundation Award for Innovations in State and Local Government, will host a two-day conference in Washington, D.C. This conference will attract senior-level managers from child support agencies across the country and educate them on the successful strategies that won Massachusetts national recognition for automated enforcement.

***Contribution to Mission***

In administering its child support enforcement program, Massachusetts is affected by the level of cooperation and assistance provided by other states and by the federal government and the policy decisions made by these entities. By assuming a leadership position, the stature of the Massachusetts program will grow, along with our ability to influence the child support debate.

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### ***5. Influence The Welfare Reform Debate***

We will participate in discussions on welfare reform and will influence the debate by being involved at all levels, locally and nationally. We will also develop and carry out strategies to persuade local and national authorities to support or pass laws furthering the effectiveness of child support programs.

### ***Contribution to Mission***

These activities will strengthen our ability to enforce child support obligations, as well as enhance the public's perception of our program.

**FY95:** Ongoing

**FY96:** Ongoing.

### ***6. Develop Our Staff***

We will establish a college-level, credit-based certificate program in Child Support Enforcement Management in association with the University of Massachusetts. This certificate can be credited towards completion of an undergraduate degree at the University. Also, in preparation for the new computer system coming on-line in July 1995, we will train all CSE staff to be PC-literate as well as to be able to use of the new system specifically. Finally, we will deliver the CSE core courses as specified in the DOR training publication TuDOR.

### ***Contribution to Mission***

These activities will provide for the development and growth of staff and provide them with the necessary skills to meet their job-related responsibilities.

**FY95:** Establishment of certificate program, and provision of training for new computer system.

**FY96:** Ongoing.

# Local Services Objectives

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## **1. Develop Plan for Expanded Electronic Communication with Local Governments**

Communities have responded very positively to our on-line access to the Municipal Data Bank and PC applications such as the automated Schedule A and Recap Sheet and Revenue and Expenditure Forecasting application. We foresee significant benefits to expanded electronic communication in both our regulatory and technical assistance functions, possibly including: IGRs, Bulletins, tax rates, free cash certification, recertification of values, new growth, Schedule A, Cherry Sheets and E-mail.

**FY95:** Establish a working group to develop goals and establish a time frame for implementing expanded use of electronic communication. Analyze local systems and the hardware/software necessary to achieve maximum reasonable level of accessibility. Decide what information and functions to include, decide policy issues such as who will manage the system, who can have access, data quality and security.

**FY96:** Begin implementation.

## **2. Administer Expanded Sewer Rate Relief Program**

The FY95 state budget (Section 221) provides \$40 million to mitigate sewer rate increases. The Division of Local Services (DLS) is charged with allocating the funds to communities and districts with eligible debt service. Eligibility is expanded somewhat from the FY94 program. Eligible debt is defined as long-term debt issued after Jan. 1, 1991, compared to Jan. 1, 1992 in the FY94 state budget. Certain communities with projects financed through the Mass. Water Pollution Abatement Trust (the SRF) are now eligible as well.

### **Contribution to Mission**

The purpose of the fund is to provide sewer rate relief, which benefits both ratepayers and local governments. Like the emergency school and general aid programs we have administered in past years, this fund fits into DLS's mission of providing assistance to local governments including the equitable, rational and expeditious allocation of special state aid programs.

**FY95:** Issue guidelines and applications for sewer rate relief. Collect and analyze the application data, in consultation with the state DEP, and distribute funds upon certification that the recipients have provided rate relief in accordance with the budgetary language by March 1, 1994. Issue report upon concluding the project.

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### ***3. Administer Expanded Education Reform Waiver Provision***

The FY95 state budget (section 272) once again gives DLS the authority to waive a portion of the minimum local contribution under Education Reform for communities experiencing certain financial conditions: use of non-recurring revenues in the prior year, the need to fund extraordinary expenditures in the current year and — new in the FY95 version — a municipal revenue growth factor that is both above 150% of the statewide average and determined to be excessive.

The purpose of the waiver provision is to provide budgetary relief to communities in which certain financial conditions make the generally prescribed education funding requirements overly burdensome. The significance of DLS being in charge of the one meaningful “hardship” safety valve under Education Reform is that we have an important tool to help make the education law work and prevent major disruption of local services.

**FY95:** Issue guidelines and application materials regarding FY95 education reform. Analyze the information submitted and other relevant financial data and determine waiver amounts. Issue report upon concluding the project.

### ***4. Publish Financial Management Guide for Town Officials***

Most of the materials DLS produces for local officials are specialized, i.e. audit manual, Data Bank brochure, and Proposition 2½ primer. We have identified a need to produce a manual that “puts it all together,” especially one that could be a good reference for the newly-elected or appointed official.

### ***Contribution to Mission***

A central part of our mission is producing high-quality information to train and assist local officials in carrying out their financial responsibilities. This project will dovetail with our increasing emphasis on the importance of cooperation and coordination among the financial team members in a community, which we have been encouraging via financial team seminars, budget workshops, the Municipal Calendar, etc.

**FY95:** Develop, format, print and distribute manual.

### ***5. Pilot New Procedural Audit for Certification of Property Values***

To bring greater uniformity to DOR’s triennial recertification of property values, we have developed a uniform process for conducting a certification review, including a detailed audit form to be used by all certification field staff.

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Because of the need to test and debug this complex document, and also because of the significant staff training needed before this change can be fully implemented, we intend to field test this on a pilot basis in FY95, using selected Worcester County communities as the test area.

***Contribution to Mission***

A more standardized, uniform procedure for certification will enhance the quality of our analysis and the fairness of this regulatory function. Clearly articulated standards presented at the beginning of the review process will enable local assessors to understand the basis on which their work will be judged and to respond more effectively.

**FY95:** Finalize draft audit form and procedures. Train staff, field test, receive feedback from staff and assessors and reevaluate companies.

**FY96:** If successful, expand program.

***6. Develop the Capacity to Assist Communities in Strategic Planning***

Ongoing revenue constraints and requirements such as Education Reform mean continuing pressure on communities to streamline operations. While some local officials do this in accordance with a plan, the vast majority continue to take an incremental approach and chip away their spending each year with no overall direction. We would like to offer communities assistance in “jump-starting” a strategic planning effort, with the emphasis on process rather than specific results.

***Contribution to Mission***

Facilitating strategic planning at the local level will take our technical assistance role in a new direction, one that is appropriate given the kinds of issues currently facing cities and towns.

**FY95:** Identify consultant(s), identify test communities, organize planning sessions, observe and document results.

**FY96:** If successful, expand program.

***7. Coordinate Financial Recovery Efforts in Selected Communities***

DLS will continue a high level of involvement with the control boards in Lawrence and Lowell, the amortization of the deficit in Beverly, financial monitoring of Springfield and the assessing takeover in Wareham.

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***Contribution to Mission***

Through the use of our staff's expertise in finance and management, our mission is to impart through oversight, example and cooperation, the principles of administration, valuation and finance, thereby allowing the return of local autonomy.

**FY95:** Eliminate the need for the Lowell Control Board with the return of financial stability to the city. Complete involvement in Wareham's assessing office and turn control over to the newly appointed director of assessing.





